



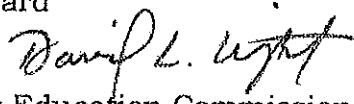
RICHARD G. RHODA  
*Executive Director*

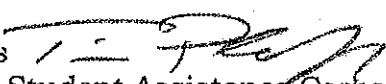
STATE OF TENNESSEE  
**HIGHER EDUCATION COMMISSION**  
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PHIL BREDESEN  
*Governor*

**MEMORANDUM**

To: State Funding Board

From: David L. Wright   
Tennessee Higher Education Commission

Tim Phelps   
Tennessee Student Assistance Corporation

Date: May 1, 2009

Subject: Tennessee Education Lottery Scholarship Program Projections

The Tennessee Higher Education Commission (THEC) and Tennessee Student Assistance Corporation (TSAC) have collaborated to provide the following information regarding lottery-related financial assistance. Pursuant to Tennessee Code 4-51-111(c)(2)(a), the purpose is to give an overview of estimated awards and expenditures for the current and coming academic year.

These figures incorporate data for all lottery-funded programs, including the HOPE Scholarship, General Assembly Merit Scholarship, ASPIRE Award, HOPE Access Grant, Wilder-Naifeh Technical Skills Grant, Nontraditional Student Grant, Dual Enrollment Grant, Helping Heroes Grant, Foster Child Tuition Grant, Rural Health Loan Forgiveness Program, Math & Science Teacher Loan Forgiveness Program, and Tennessee Student Assistance Award.

Our expenditure estimate for 2008-09 remains unchanged from the figure we provided the Funding Board on December 3, 2008.

**2008-09 Estimated**  
**Number of awards: 88,000**  
**Total Cost - \$266.0 million**

Our projection for 2009-10 is revised slightly upward from the \$274 million figure presented on December 3.

**2009-10 Projected**  
**Number of awards - 97,000**  
**Total Cost - \$276.5 million**

The 2009-10 projection is based on an assumption of 3% growth in expenditures for base programs and variable increases in other programs such as Wilder-Naifeh, Dual Enrollment, and the HOPE Access Grant. Our projection model contains the following assumptions for 2009-2010:

- 1) very little growth in the number of public and private high school graduates;
- 2) no change in current college participation rates;
- 3) continuation of the recent increase observed in scholarship renewal rates.

If you have any questions or require additional information, please contact either of us.

cc: M. David Goetz, Commissioner, Finance & Administration  
Tre Hargett, Secretary of State  
David Lillard, Treasurer  
Justin Wilson, Comptroller of the Treasury